
Presentation to the
Honorable Lt. Governor Brad Owen
and the Legislative Committee on
Economic Development and International
Relations

August 3, 2004

By
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INTEC in Review

- Four year old private non-profit funded by the public through investments by
 - State of Washington for \$1,975,000
 - Spokane County Board of Commissioners for \$920,000
- Mission: *Fueling Economic Growth through Innovation, Technology and Training*
- Examples of work product
 - SKILLS Panels
 - Biomedical
 - Healthcare
 - Community College Initiatives
 - Biotechnology Academy
 - Sectoral Training Initiative
 - .NET Initiative



INTEC in Review

- Economic Development Reports
 - “Developing an Innovation Economy” by Nathan Brown
 - “Assessment of Opportunities for Biomedical Economic Development” by Simon Tripp
- Innovative Networking Activities
 - LaunchPad
 - Special Interest Groups
- Inland Northwest Regional Competitiveness Initiative
 - Partnership with the Council on Competitiveness and the EDA
- Incubating New Initiatives
 - Northwest Coalition for a Safer America (NWCSA)
 - Institute for Systems Biology at Gonzaga University (ISBGU)
 - Inland Northwest Alliance for Clinical Placements (INACP)
 - Connect Northwest





connectnorthwest

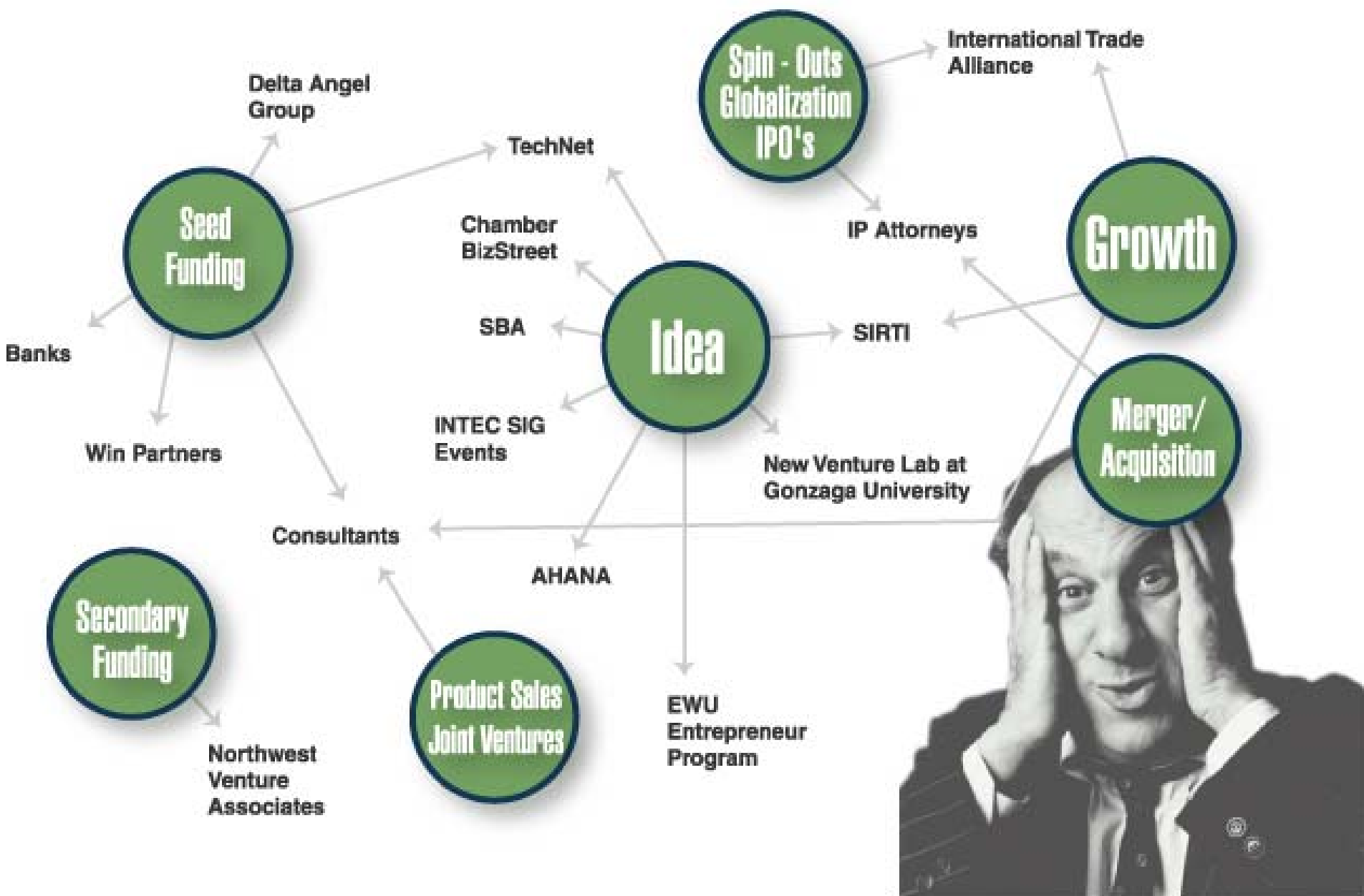
Innovation. Capital. Results.

The Challenges

- Regional entrepreneurial resources are fragmented
- Business recruitment extremely competitive and long process
- Technology transfer systems not productive
- Spokane needs 2500 jobs over 2 years to maintain 6% unemployment (*Chapin group*)
- Spokane County median household income is \$35k, 80% of national average (*Bureau of Economic Analysis, 2002*)
- 6,000 high tech and mfg jobs lost in last 5 years (*Spokesman-Review, 2003*)



THE PROBLEM (over 140 Organizations!)

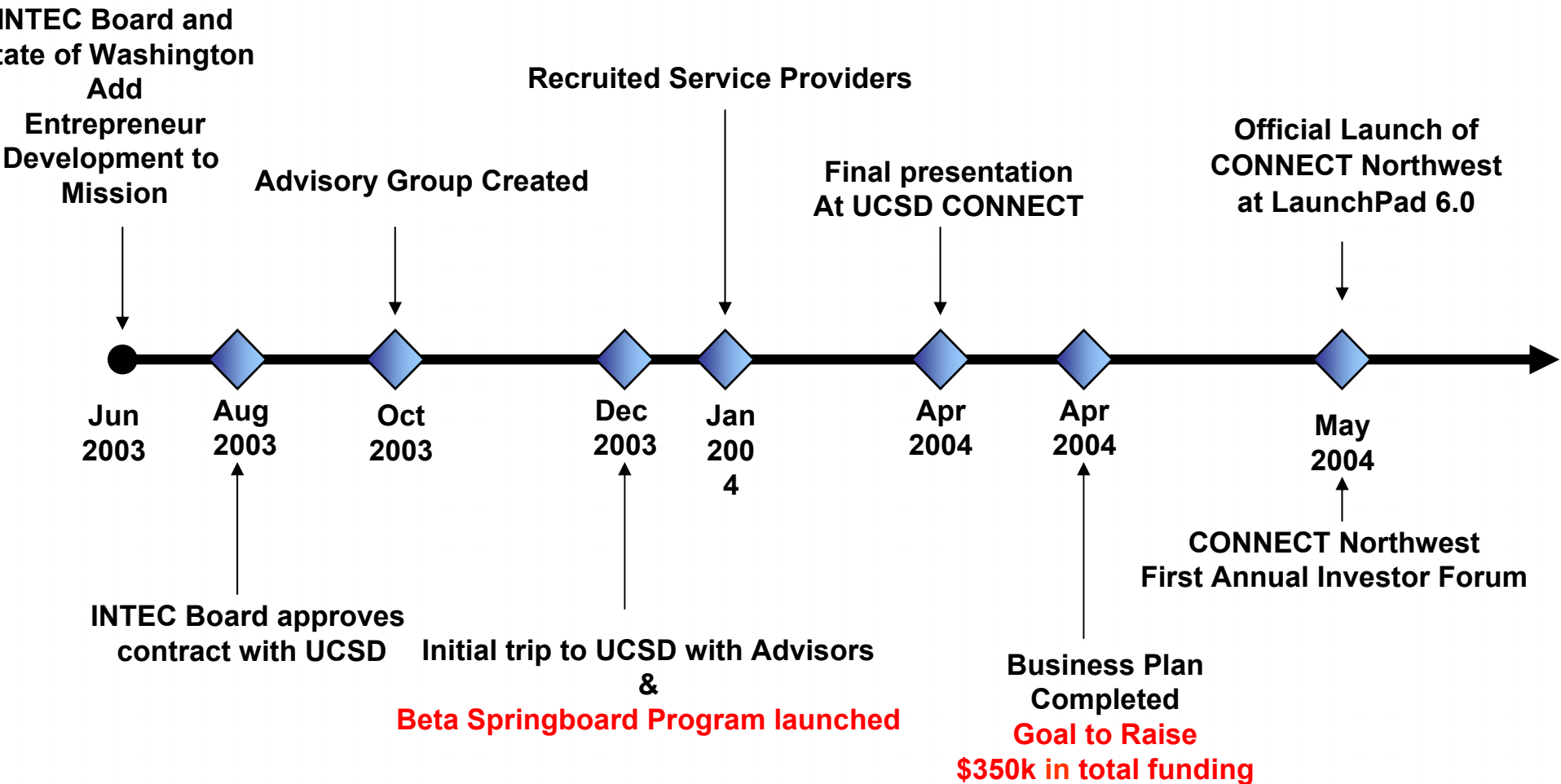


The Solution

A single point of contact!
Assessment of needs!
Efficient referral process!
Regional Collaboration!
More success stories!



Milestones & Short Term Goals



Connect Northwest Advisory Team



ADVERTISING DESIGN PUBLIC RELATIONS



Faust And Associates



Win Partners

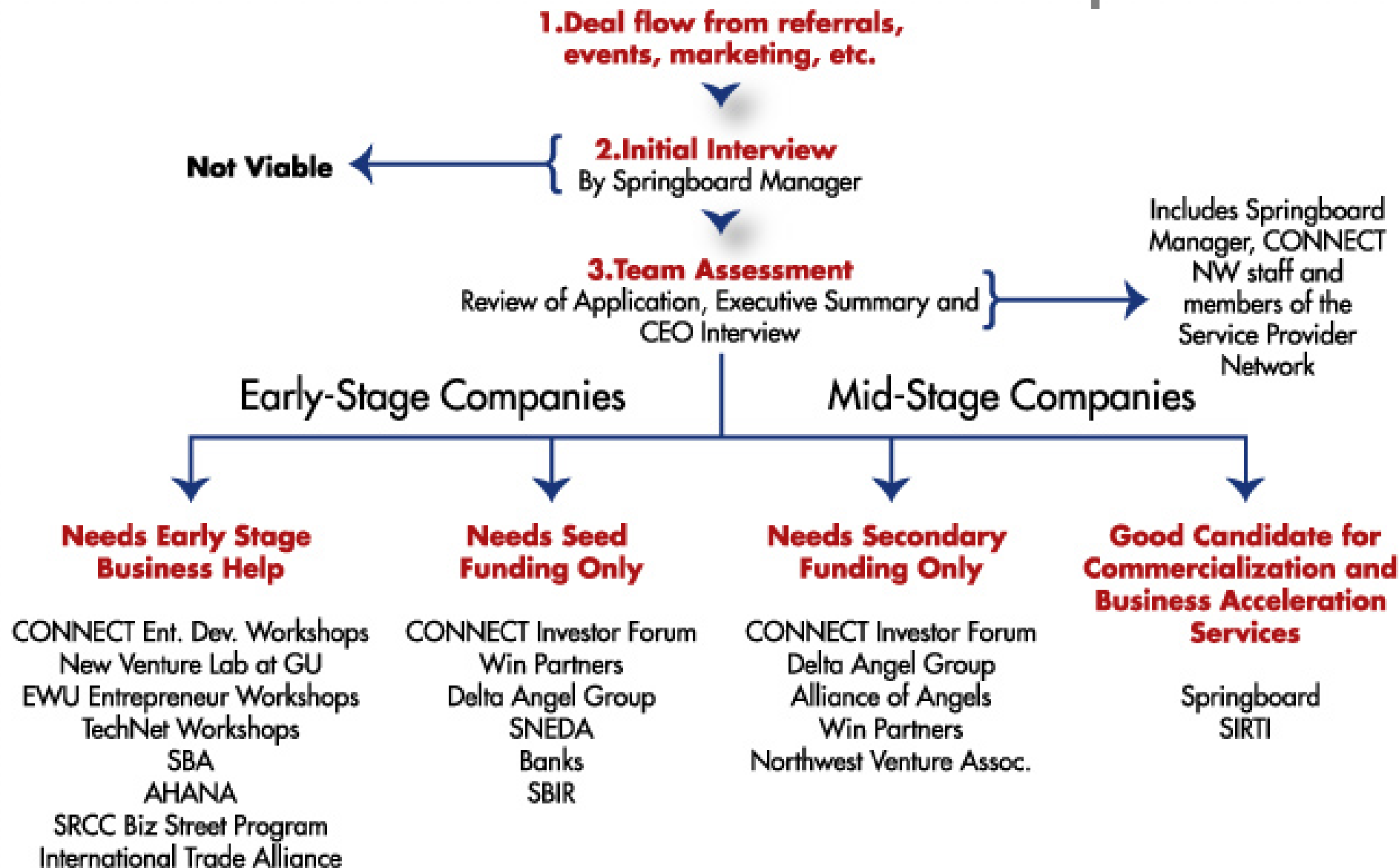


connectnorthwest

Funding Partners



Deal Flow Process Example



Year-round business acceleration program

- Helps technology-based companies evolve
- Refines business and financial strategies through group mentoring process
- 6 to 8 week process
 - Attorneys, Accountants, Marketing Experts, Domain Experts, Investors, Bankers, etc.
- Graduation event, feedback & potential funding contacts
- Creates return on involvement (ROI) for service providers & investors



Challenge

- TriGeo Network Security is emerging as a leader within the Security Event Management industry. Launching a new flagship product called Contego which is pioneering the move towards active response and intrusion prevention required growth capital for expansion.
- Since being founded in 2001, the company made extensive use of stock options and many angel investors participated in early rounds complicating the capital structure.
- Under new management and leadership and a round of subordinate shareholder debt, a new fundraising strategy was required as part of a strategic plan to expand the company.

Solution

- Springboard created a free customized program and leveraged its community network to help facilitate meetings with key local service providers such as Joe Herzog, CFO of Northwest Ventures Associates & Scott Gelband, an attorney from Perkins Coie to discuss capitalization issues and various financing scenarios.
- Springboard service providers assisted in the revision of the investor PowerPoint and provided a strategic introduction to WIN Partners and Delta Angel Group.

Results

- Springboard service providers mentored TriGeo's CEO, Michelle Dickman giving her ideas on how to improve the company's capital structure and substantial legal savings in only 2 months.
- TriGeo was able to attract numerous term sheets from local angels and institutional investors to help facilitate its next round of growth by hiring new sales and marketing personnel.

Challenge

- A Perfect Web was started by two founders while attending Whitworth College in 1997 and over the years until 2003 transformed itself into a very successful local web application company. The expansion to 10 employees caused a variety of growth and operational challenges.
- In order to continue the rapid growth trend, APW realized it required access to new sales channels and outside capital.

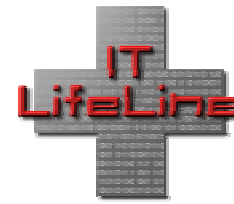
Solution

- Springboard service providers assisted in the review of business fundamentals that assisted in improving the attraction of outside strategic partners and investors.
- Springboard created a free customized program and leveraged its community network to help facilitate meetings with key local entrepreneurs such as Fred Brown, CEO of Next IT and Greg Green, CEO of OneEighty Networks to discuss possible strategic partnerships and various financing scenarios.

Results

- APW was able to leverage the key introductions facilitated by the Springboard Program resulting in a mutually beneficial relationship.
- The Founders of APW are extremely content within the new team environment and excited with the new strategic possibilities resulting from the acquisition by Next IT.





Challenge

- Founded in 2003, IT Lifeline is a professional services company providing the most comprehensive business continuity and disaster recover solutions available in the marketplace.
- IT Lifeline aggressive growth required enhancements to corporate foundational issues like equity restructuring, financial reporting and executive mentoring.

Solution

- Springboard created a free customized program and leveraged its community network to help facilitate meetings with key local service providers such as Nate Riggan, CPA with LeMaster & Daniels, and Roger Woodworth, VP of Business Development of Avista Corp. to review overall corporate strategy, financial statements and corporate funding options.
- Springboard service providers assisted in the revision of the company PowerPoint and provided feedback on presentation skills to potential investors.

Results

- Springboard service providers mentored IT Lifeline CEO, Steven Tabacek providing him ideas on how to improve the company's financial reporting.
- Springboard provided introductions to key local networking events and business people to increase the company visibility and marketability.
- IT Lifeline is relocating its business operations to a larger and new facility in Liberty Lake, WA in order to service new customers and expand its product offerings.



Challenge

- Maplewood Software successfully launched in October of 2003 a new ASP software product called ScheduleRX which helps schedule hospital staff quickly and efficiently, saving precious time and money within each hospital unit.
- The company wanted to explore strategic licensing opportunities for each new software products they developed while retaining their overall consulting and custom development business model.

Solution

- Springboard created a free customized program and leveraged its community network to help facilitate meetings with key local service providers such as Chris Hogstad, an attorney with Paine Hamblen & Michelle Dickman, CEO of TriGeo to discuss corporate structure and software licensing issues and various financing scenarios.
- Springboard service providers assisted in the revision of the company PowerPoint, creation of a board of advisors and use of business fundamentals.

Results

- Springboard service providers mentored Maplewood's CEO, Nancy Janzen giving her ideas on how to improve the company's sales model, pricing and various business fundamentals.
- Since January, 2004, Maplewood Software has sold ScheduleRX into over 20 major medical facilities across 15 Mid West and Western states.



Summary

CONNECT Northwest, a catalyst for growing the Inland Northwest innovation economy

The Connect program saved our company anywhere from 25K to 60K by teaming us with one of their industry experts.”

- Michelle Dickman, CEO, TriGeo Network Security

“The Connect Northwest team did a superb job organizing an array of advisory resources for IT-Lifeline. As a technology startup company, it was nice to have the Connect resources at our disposal.”

- Steve Tabacek, Founder & CEO, IT Lifeline

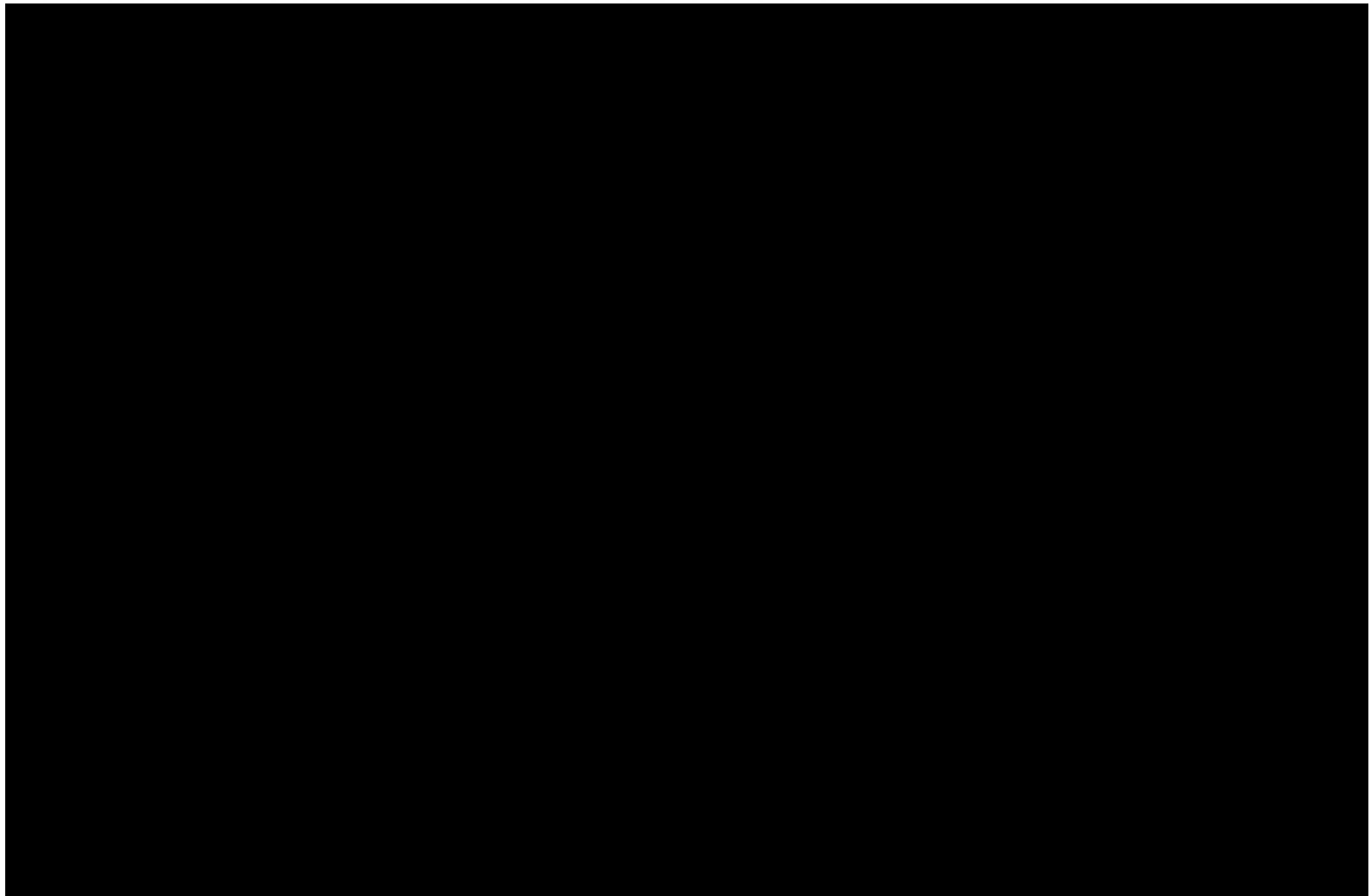
“After briefly being involved in the Connect Springboard Program we significantly increased gross revenues through constructive strategy provided by the connect team. “

- Brandon Tanner, Co- Founder & CEO, A Perfect Web

Summary

- INTEC *facilitates* innovative and effective collaboration
- INTEC *catalyzes* new ideas fusing workforce and economic development
- The facilitation and catalytic services that INTEC provides address three Principles of Government (POG)
 - **Improve student achievement in high schools**
 - **Improve quality and productivity of our workforce**
 - **Improve economic vitality of business and individuals**





Thank You!

An Executive Summary is
Included in your booklet

Q&A